

# REGION9

Economic Development District of SW Colorado



## 2019 CORPORATE ANNUAL REPORT







Region 9 Staff

## VISION

### TO ENHANCE ECONOMIC CONDITIONS THROUGHOUT SOUTHWEST COLORADO

The Region 9 Economic Development District of Southwest Colorado Inc. (referred to as Region 9, or the District) is a nonprofit, 501 (c) 6 public private partnership that promotes and coordinates economic development efforts throughout Southwest Colorado. Region 9 includes five counties, ten municipalities and the only two Native American Tribal lands in Colorado (Ute Mountain Ute and Southern Ute).

Incorporated in 1989, Region 9 has a board of directors with 17 representatives from local governmental jurisdictions and 9 from the private sector. Activities include business loans and financing, producing the Comprehensive Economic Development Strategy (CEDS) and data reports, Enterprise Zone Administration, special projects, the Southwest Accelerator Program for Entrepreneurs (SCAPE) and serving as fiscal agent for the San Juan Development Association (SJDA).

#### BOARD OF DIRECTORS

Alex Rugoff, City of Durango  
 Ashleigh Tarkington, Town of Bayfield  
 Bryce Capron, Town of Dove Creek  
 Chris Tookey, Town of Silverton  
 Clyde Church, La Plata  
 Colleen O'Brien, City of Durango, past  
 Craig Benally, Town of Mancos  
 Dan Fernandez, Secretary, At-large, Dolores  
 Dewayne Findley, Treasurer, At-large, Montezuma  
 Eric Thayer, Southern Ute Indian Tribe  
 Jennie Green, Town of Pagosa Springs  
 Jim Candelaria, Montezuma  
 Kari Distefano, Town of Rico

Laurie Sigillito, At-large, La Plata, past  
 Mary Jo Coulehan, At-large, Archuleta  
 Peyton Heitzman, City of Cortez, past  
 Robert Whitson, At-large, La Plata  
 Shawn Gregory, At-large, Montezuma  
 Steve Elias, Ph.D., At-large, Fort Lewis College  
 Steve Garchar, Dolores  
 Teri Simmons, At-large, Montezuma/La Plata  
 Todd Starr, Vice Chair, At-large, Archuleta  
 Todd Weaver, Archuleta  
 Tuggy Dunton, Town of Ignacio  
 William Tookey, Chair, San Juan  
 John Dougherty, City of Cortez

#### LOAN COMMITTEE

Bill McDougall, San Juan  
 Bryce Capron, Dolores  
 Derek Farrah, Archuleta  
 Fritz Klinke, San Juan  
 Gina Piccoli, At-large  
 Jon Callender, Montezuma  
 Kris Oyler, La Plata  
 Livia Lynch, Archuleta  
 Pam Miles, Chair, La Plata  
 Shawn Gregory, Montezuma  
 Terryl Petersen, At-large

#### STAFF

Laura Lewis Marchino, Executive Director   Brian Rose, Deputy Director   Elizabeth Marsh, SCAPE   Heather Otter, Economic Development Project Manager  
 Jenny Stollar, Business Loan Officer   Shirley Jones, Comptroller   Stephani Burditt, Office Manager   Terry Blair-Burton, Program Administrator  
 Fort Lewis College School of Business Interns:   Anthony Porambo   Blake Common

## MISSION

TO BE A REGIONAL LEADER, WORKING COOPERATIVELY WITH THE PRIVATE AND PUBLIC SECTORS TO IMPROVE THE REGION'S ECONOMIC PROSPERITY.

REGION 9 IS AN EQUAL OPPORTUNITY LENDER & EMPLOYER

## GREETINGS FRIENDS OF REGION 9,

Region 9 enters a new decade with 30 years under our belt. Since inception, Region 9 has distributed close to \$30 million dollars in loan funding in our five-county region. We have funded numerous legacy businesses like Mercury Payment Systems - Durango, Old Hundred Gold Mine - Silverton, Honeyville – La Plata, Adobe Mills - Dove Creek, and Open Sky Wilderness Therapy - La Plata and Dolores. We are seeing a growing timber industry, and more entrepreneurs that visit the area, wanting to stay and create a business. Our region is resilient and recovering from 2018's fires, drought conditions and natural disasters.

Our Board of Directors is updating our Strategic Plan which will continue our focus working with county-level economic development groups, enhancing access to capital for businesses, strengthening the entrepreneurial ecosystem, and sustaining Region 9 as an organization. Highlights from this Fiscal year include:

- Facilitated county Opportunity Zone prospectuses and trainings.
- Responded to approximately 1,176 inquiries covering business resources, grant and data requests. This number doubled from 2018!
- Kicked off Census 2020 area statistical, education and outreach efforts across the region.
- Produced data updates on Housing, Livable Wages and the 2019 Region 9 Economic Snapshot.
- Disbursed almost \$2Million in new loans.
- Increased Enterprise Zone Contribution Projects by about \$2Million over the previous year.
- Provided weekly office hours at satellite offices in Cortez and Pagosa Springs and activities in all 17 of our governmental jurisdictions.

We look forward to working with all of you in 2020.

Sincerely,

Laura Lewis Marchino, Executive Director



## PROGRAMS

Region 9 provides technical assistance for grant and data research, information on business incentives and project coordination. Region 9 oversees the region's strategic plan for economic growth, known as the Comprehensive Economic Development Strategy (CEDS). Region 9 also helps local governments access federal and state funding for infrastructure improvements and community amenities that result in job creation/retention, or that are of economic benefit to a community.

Region 9 is a Colorado State Data Center local affiliate, and provides reliable, unbiased, and timely regional socio-economic data to citizens and policymakers. All the District's reports and economic impact studies can be found on the District website at [www.scan.org](http://www.scan.org).



Danny Frazer of Open Sky Wilderness Therapy speaks at R9's 30th Anniversary Celebration



Region 9 hosted a Durango Chamber Business After Hours in 2019



Team 9 members at the EDA-Denver Region conference

## KEY PARTNERS

17 governmental jurisdictions    County-level economic development groups    Southwest Colorado Small Business Development Center (SBDC)  
Southwest Colorado Accelerator Program for Entrepreneurs (SCAPE)    Fort Lewis College School of Business  
Economic Development Administration (EDA)    Office of Economic Development & International Trade (OEDIT)  
United States Department of Agriculture Rural Development (USDA)





# BUSINESS LOAN FUND

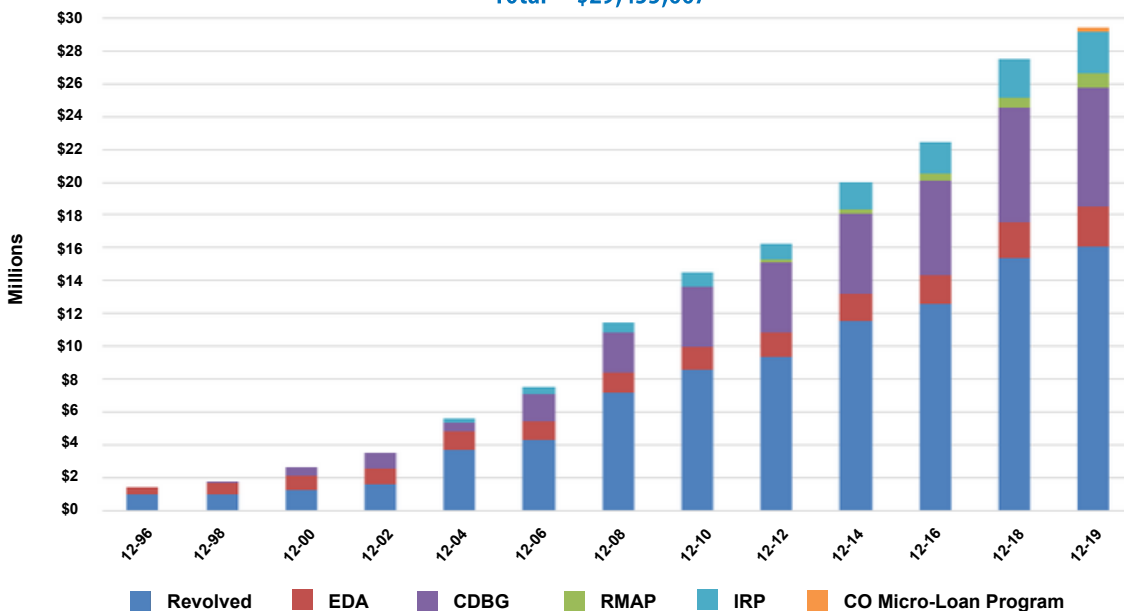
As the “lender of first resort” for start-up businesses, Region 9 provides commercial loans within our 5-county service area. Loan funding supports businesses creating or retaining jobs, leveraging other funds, or exporting a good or service from the local economy. The Business Loan Fund (BLF) includes several federal and state sources: Community Development Block Grants (CDBG) from the Colorado Office of Economic Development (contracted through La Plata County and the five-county region through an inter-governmental agreement); the USDA Intermediary Re-lending (IRP) & Rural Micro Entrepreneur Assistance Program (RMAP); the Economic Development Administration (EDA); Colorado Micro-Loan Program and revolved funds from previous CDBG contracts now closed out. As these funds are repaid they help grow the dollars available to lend.

The following charts illustrate the disbursement of funds by type and by county, some since the beginning of the Loan program in 1990, as well as the loans disbursed by county during the fiscal year.

Loan Disbursements by Fund

1996 - Dec 2019

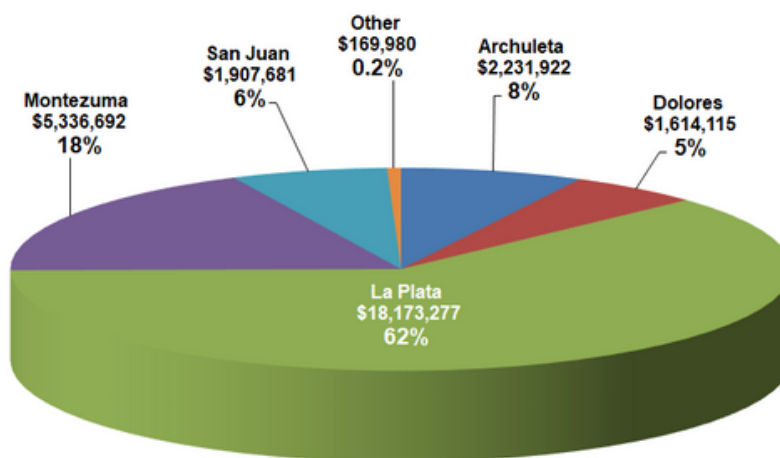
Total = \$29,433,667



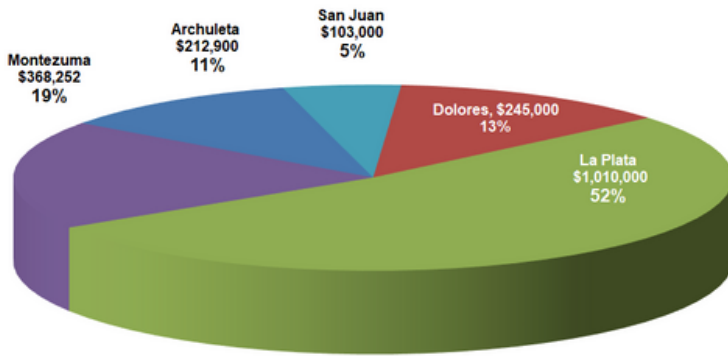
Cumulative Loan Disbursement by County

1990 - Dec 2019

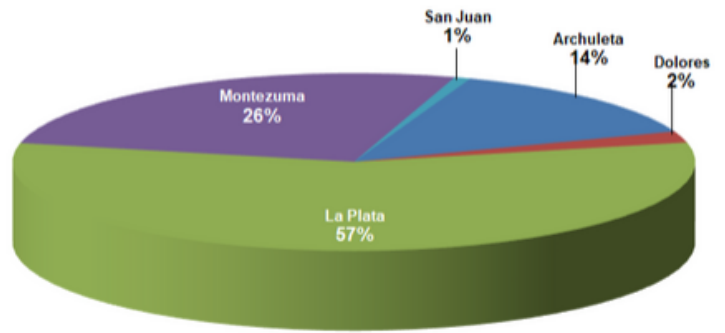
Total = \$29,443,667



Loan Disbursement by County  
Jan 1, 2019 - Dec 31, 2019  
Total = \$1,939,152

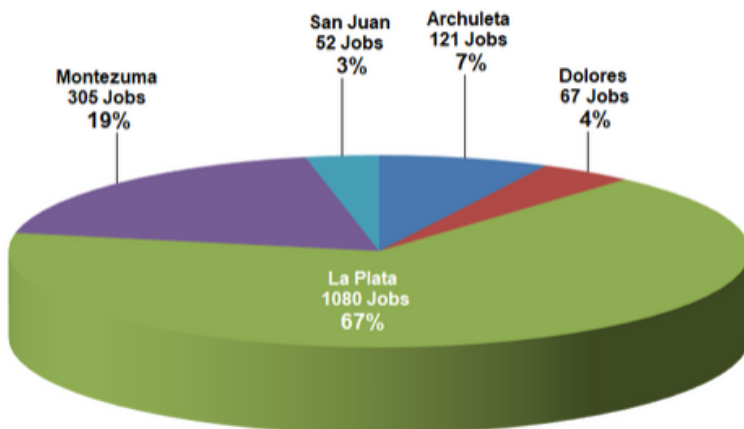


2019 Regional Population Distribution  
Total = 99,117

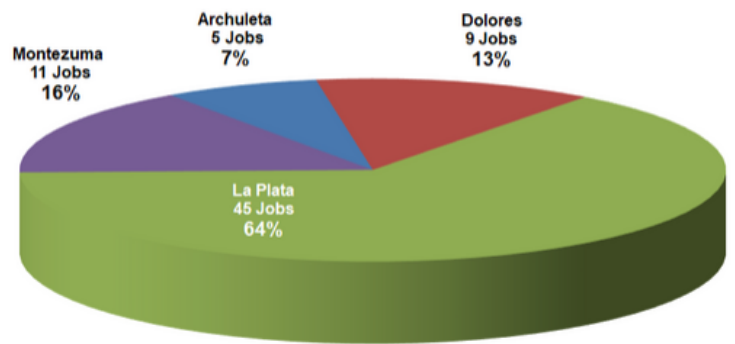


The balance of 170 BLF loans receivable as of December 31, 2019 was nearly \$6,079,144, an increase of \$300.6K over last year that had 157 loans receivable. Region 9 closed 33 loans creating 70 jobs compared to 33 loans and 85 jobs in FY 2018, and 108 jobs in FY 2017. Twenty-one loans paid off this year, compared to twenty in 2018 and fifteen in 2017. This fiscal year, four loans were written off. This compares to three in the last report, none in 2017 and three loans in 2016.

Cumulative Jobs Created/Retained  
1990 - Dec 2019  
Total = 1,625



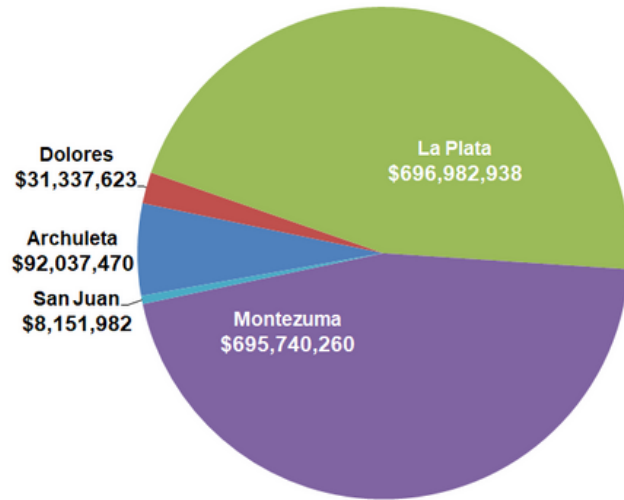
Jobs Created/Retained  
Jan 1, 2019 - Dec 31, 2019  
Total = 70



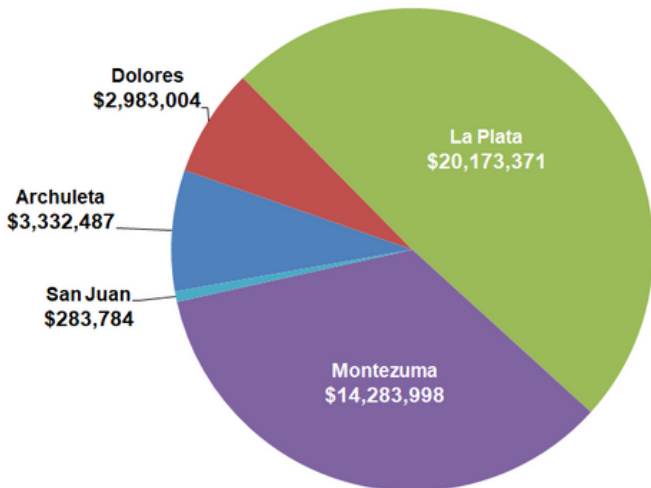
# ENTERPRISE ZONE

Region 9 is the Southwest Colorado Rural Enterprise Zone (EZ) Administrator and certifies whether a business is located within Enterprise Zone boundaries, processes the EZ tax certification forms, and administers the designation and donations for EZ Contribution Projects. Businesses in the EZ boundaries can be eligible for a variety of tax credits including job training, investment, job creation, and vacant building rehabilitation. Currently all of Montezuma, San Juan and Dolores Counties, and certain sections of La Plata and Archuleta Counties, are designated EZ areas. Archuleta, Dolores and San Juan Counties have also been designated as Enhanced Rural Enterprise Zones (EREZ) through 2020 because these counties meet additional stress criteria.

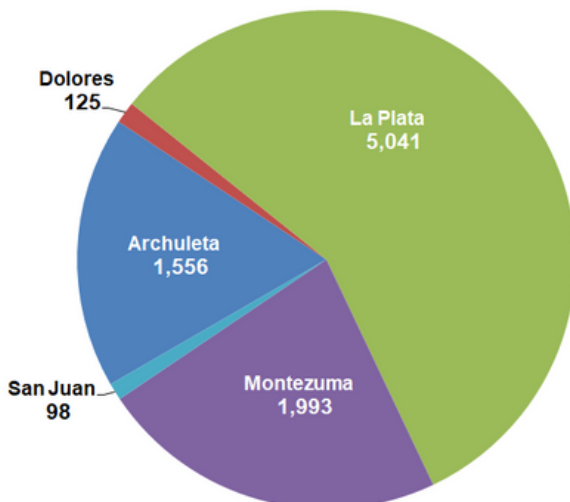
Enterprise Zone Investments by County  
1992 - 2019  
Total = \$2 Billion



Area businesses that participated in the Enterprise Zone tax credit program verified \$34.4M of investments resulting in \$1.186M of tax credits in 2019. This is an increase over 2018 investments of \$31.1M and \$1.11M million in tax credits. However, business jobs were down 28 jobs from 2018 numbers.



Enterprise Zone Tax Credits by County  
1992 - 2019  
Total = \$40,075,022\*  
\*includes regional organizations



Enterprise Zone Jobs by County  
1992 - 2019  
Total = 8,805\*  
\*includes rounding

# ENTERPRISE ZONE

## 2019 CONTRIBUTION PROJECTS

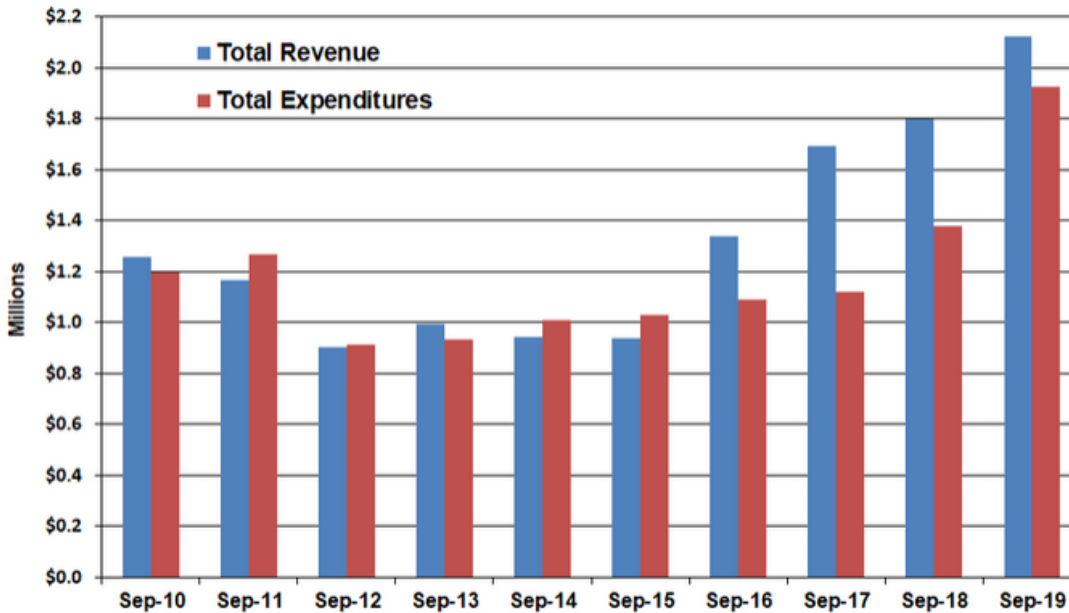
Region-wide, in 2019 there were 30 designated Enterprise Zone Contribution Projects (four new designations, and three project renewals). Projects generated \$4.14 million in economic activity through direct and in-kind contributions. This is comparable to 28 Projects in 2018 at \$2.8 million, 28 Projects in 2017 at \$3.3 million, and 30 Projects with \$3.7 million in 2016.

| PROJECT                                  | COUNTY    | CASH                  | IN - KIND             | TOTAL                 |
|--|-----------|-----------------------|-----------------------|-----------------------|
| Aspen House                              | Archuleta | \$18,300.00           | \$672.50              | \$18,972.50           |
| Bridge Emergency Shelter                 | Montezuma | \$111,977.14          | \$18,952.50           | \$130,929.64          |
| Cortez Cultural Center                   | Montezuma | \$5,354.08            | \$0                   | \$5,354.08            |
| Crow Canyon Archaeological Center        | Montezuma | \$189,339.89          | \$300.00              | \$189,639.89          |
| Dr. Mary Fisher Medical Foundation       | Archuleta | \$90,079.69           | \$5,149.20            | \$95,228.89           |
| Eddie Box Media Center                   | La Plata  | \$152,172.00          | \$5,606.83            | \$157,778.83          |
| Fort Lewis College Foundation            | La Plata  | \$1,121,650.00        | \$28,961.30           | \$1,150,611.30        |
| Geothermal Greenhouse Partnership        | Archuleta | \$9,175.00            | \$15,063.08           | \$24,238.08           |
| Habitat for Humanity of Archuleta County | Archuleta | \$21,367.00           | \$9,884.16            | \$31,251.16           |
| Habitat for Humanity of La Plata County  | La Plata  | \$20,447.52           | \$46,100.00           | \$66,547.52           |
| Habitat for Humanity of Montezuma County | Montezuma | \$1,000.00            | \$16,569.50           | \$17,569.50           |
| Homes Fund                               | Regional  | \$25,000.00           | \$9,981.00            | \$34,981.00           |
| Hospice of Montezuma                     | Montezuma | \$34,796.00           | \$0                   | \$34,796.00           |
| Housing Solutions for the Southwest      | Regional  | \$3,257.14            | \$0                   | \$3,257.14            |
| Manna Soup Kitchen                       | La Plata  | \$117,546.82          | \$8,992.00            | \$126,538.82          |
| Mercy - Hospice Residence                | La Plata  | \$100,645.00          | \$0                   | \$100,645.00          |
| Mercy Health Foundation                  | La Plata  | \$149,698.76          | \$350.00              | \$150,048.76          |
| Montezuma Food Systems                   | Montezuma | \$11,000.00           | \$0                   | \$11,000.00           |
| Mountain Studies Institute               | San Juan  | \$38,670.00           | \$20,682.22           | \$59,352.22           |
| Pagosa Springs CDC                       | Archuleta | \$2,270.00            | \$0                   | \$2,270.00            |
| Pinon Project                            | Montezuma | \$5,580.14            | \$0                   | \$5,580.14            |
| Region 9 EDD                             | Regional  | \$5,010.00            | \$112,089.56          | \$117,099.56          |
| San Juan Development Association         | San Juan  | \$800.00              | \$19,847.50           | \$20,647.50           |
| SCAPE                                    | Regional  | \$126,550.00          | \$71,275.00           | \$197,825.00          |
| Sharehouse                               | Montezuma | \$751.00              | \$0                   | \$751.00              |
| Small Business Development Center (SBDC) | Regional  | \$7,255.00            | \$19,225.00           | \$26,480.00           |
| Southwest Conservation Corps             | La Plata  | \$250.00              | \$2,006.49            | \$2,256.49            |
| Southwest Memorial Hospital Foundation   | Montezuma | \$51,100.00           | \$1,144,166.88        | \$1,195,266.88        |
| Sunflower Theatre                        | Montezuma | \$78,096.62           | \$3,418.86            | \$81,515.48           |
| Volunteers of America                    | La Plata  | \$84,684.30           | \$0                   | \$84,684.30           |
| <b>Totals</b>                            |           | <b>\$2,583,823.10</b> | <b>\$1,559,293.58</b> | <b>\$4,143,116.68</b> |



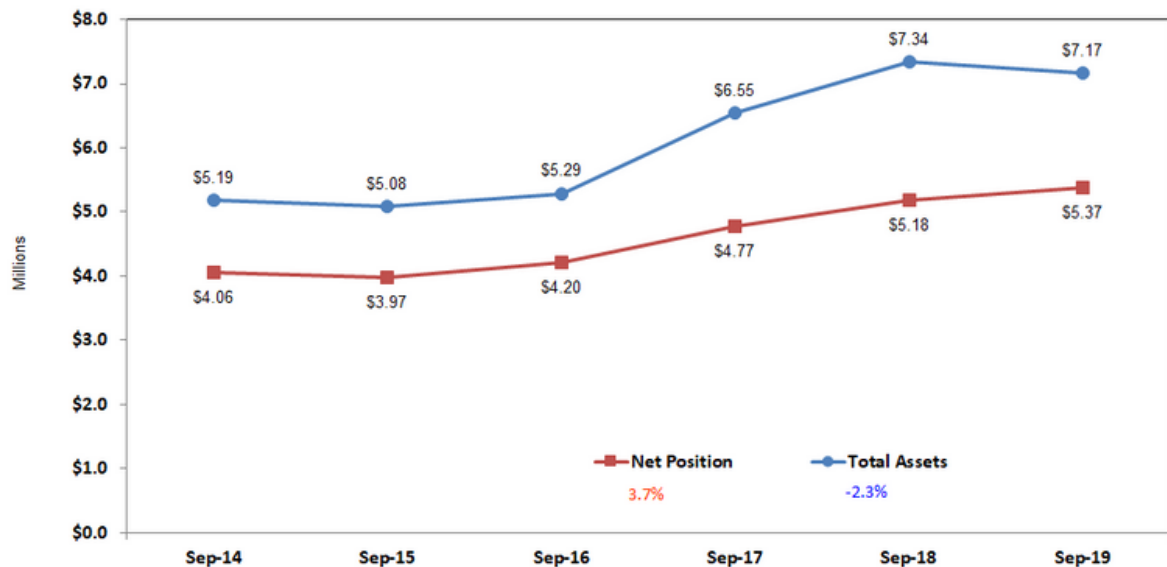
# FINANCIAL CONDITION

Region 9's growth of total assets dipped slightly at the end of the fiscal year and Net Position continues to trend upwards. Region 9 is audited annually, and copies are available on request.



Region 9 Revenue/Expenditures  
Sept 2010 - Sept 2019

Region 9 Total Assets & Equity  
2014 - 2019



## CORTEZ

Inside Dolores State Bank  
27880 HWY 160  
Cortez, CO 81321

Open Thursdays by appointment; Call to schedule



## DURANGO

135 Burnett Dr. Unit 1  
Durango, CO 81301

(970) 247-9621  
[www.scan.org](http://www.scan.org)



## PAGOSA SPRINGS

Inside Bank of the San Juans  
205 Hot Springs Blvd.  
Pagosa Springs, CO 81147

Open Wednesdays by appointment; Call to schedule